



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Tuesday Evening, December 23, 2008

Electricity

Update: 54,000 PGE Customers Remain Without Power in Oregon December 23

About 54,000 Portland General Electric (PGE) customers remained in the dark today, as new outages slowed restoration efforts throughout the state. PGE said it had restored service to more than 200,000 customers since Friday, but continued to see new outages throughout its service territory.

<http://www.portlandgeneral.com/default.aspx>

Update: 26,000 Nova Scotia Power Customers Remain Without Power in Canada December 23

Nova Scotia Power restored electricity to most its affected customers, but 26,000 remained without power December 23. A winter storm cut power to as many as 89,000 NS Power customers on December 21-22. The company said it expected to "make major progress" toward restoring its remaining customers today.

http://www.nspower.ca/about_nspi/in_the_news/2008/12232008.shtml

Energy Assurance Daily, December 22, 2008

Ice Storm Cuts Power, Disables Emergency Sirens at Exelon's 2,340 MW LaSalle Nuclear Power Station in Illinois

An ice storm disrupted communications and cut power to Exelon's 2,340 MW LaSalle nuclear power plant in Illinois, according to a filing with the Nuclear Regulatory Commission (NRC). The incident disabled seventeen of the facility's fifty emergency sirens, but did not affect the units' operating statuses. Unit 1 continued to run at 80 percent power, reduced for scheduled work, and Unit 2 remained at 98 percent power. The sirens shut at 7:22 AM, local time, on December 21, and remained down at 10:42 AM, local time, when the report was issued.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2008/20081222en.html#en44738>

Update: Ameren Restarts 1,190 MW Callaway Nuclear Reactor in Missouri by December 23

The unit shut last week due to a failed condensate pump. It returned to 7 percent power by this morning, the Nuclear Regulatory Commission reported.

Bloomberg News, 07:15 December 23, 2008

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: PSE&G's 1,096 MW Salem Nuke Unit 1 in New Jersey at Full Power by December 23

The Nuclear Regulatory Commission reported that on the morning of December 22 the unit was operating at 90 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: Exelon's 855 MW Quad Cities Nuke Unit 2 in Illinois Ramped Up to 96 Percent by December 23

Exelon shut the unit on December 12 to install and test a new circuit breaker, a company spokeswoman said earlier. In addition to that, workers replaced parts on a steam-converting system. The Nuclear Regulatory Commission reported that on the morning of December 22 the unit was operating at 26 percent.

Bloomberg News, 06:56 December 23, 2008

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: Entergy's 653 MW Pilgrim Nuke Unit 1 in Massachusetts Ramped Up to 23 Percent by December 23

The unit shut due to a snow storm on December 19, a spokesman said previously. The Nuclear Regulatory Commission reported that on the morning of December 22 the unit was operating at 1 percent.

Bloomberg News, 07:05 December 23, 2008

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

OPG Shuts 535 Lennox Oil-and-gas-fired Unit 4 in Ontario by December 23

Reuters, 12:29 December 23, 2008

OPG Shuts 494 MW Lambton Coal-fired Unit 3 in Ontario by December 23

Ontario Power Generation (OPG) shut the unit for maintenance, but said it would return to service within days.

Reuters, 12:07 December 23, 2008

Bloomberg news, 09:28 December 23, 2008

OPG Shuts 475 MW Nanticoke Coal-fired Unit 3 in Ontario by December 23

Ontario Power Generation (OPG) shut the unit for maintenance, but said it would return to service within days.

Bloomberg News, 09:28 December 23, 2008

Reuters, 12:21 December 23, 2008

TransAlta Shuts 280 MW Sundance Coal-fired Unit 1 in Alberta late December 22

<http://ets.aeso.ca/>

Update: OPG Restarts 494 MW Lambton Coal-fired Unit 4 in Ontario by December 23

Reuters, 12:07 December 23, 2008

Study Says Wind Power Could Complement Hydroelectric Facilities

Wind power could complement power output at hydroelectric facilities along the Missouri River, according to a study from the Western Area Power Administration (WAPA). During droughts, WAPA has had to purchase electricity from outside producers. Wind, the study found, could substitute for drought-caused power shortages.

The study proved somewhat complicated, said a WAPA official, given the variability of both wind and hydropower:

<http://www.mitchellrepublic.com/articles/index.cfm?id=30972§ion=News>

Petroleum

Valero Reports Boiler, Tail Gas Unit Trips at 182,200 b/d Delaware City, Delaware Refinery December 22

Two units tripped yesterday at Valero's 182,200 b/d Delaware City, Delaware refinery, but a spokesman said neither incident impacted production. Both the CO boiler at the coker and a tail gas unit at the sulfur recovery unit (SRU) tripped, the company said in filings. Both events resulted in flaring.

Reuters, 08:56 December 23, 2008

Western Refining Slows Sour Crude Runs at 122,000 b/d El Paso, Texas Refinery December 22—Operations Return to Normal December 23

Western Refining "reduced the amount of sour crude running in the South Refinery" after a heater froze, the company said in a regulatory filing and interview. Operators returned the plant to normal rates by today. "This was a pretty minimal event," a spokesman said. The incident resulted in flaring.

Reuters, 10:26 December 23, 2008

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=118054>

<http://www.reuters.com/article/rbssEnergyNews/idUSN2245855320081223>

Update: BP Restores Some Production at 900,000 b/d ACG Field Offshore Azerbaijan Complex Had Been Producing at About Two-Thirds Capacity

BP restored some production at its Central Azeri oil platform—part of the 900,000 b/d offshore Azeri-Chirag-Gyuneshli (ACG) oil deposit—after a September gas leak forced it offline. Prior to the restart, ACG had been producing 600,000 b/d of oil. BP declined to say how much production remained shut-in, but a source close to Azerbaijan's state-oil company said that 3 of 13 wells were back online. The September leak also forced shut ACG's Western Azeri platform, but BP resumed production there in October.

Reuters, 12:13 December 23, 2008

Flying J Files for Bankruptcy Protection December 21—Company Says it Will not Lay off Employees

Flying J filed for Chapter 11 Bankruptcy Protection December 21, citing a "sudden and unanticipated inability to meet our liquidity needs." Despite the move, the company said it would not lay off any of its workers. Flying J has interests in multiple Rocky Mountain oil-and-gas wells, two refineries, a refined products pipeline and 250 retail outlets. West Coast traders did not expect the filing to impact products supply in the area.

<http://uk.reuters.com/article/gc06/idUKTRE4BL3M020081222>

Mexican Crude Output Dips 9.3 Percent in First 11 Months of 2008

Mexican oil production dropped to 2.8 million b/d, marking an average 9.3 percent decline in the first 11 months of 2008, the state oil company Pemex said December 22. Exports slowed by 17.3 percent, to 1.4 million b/d, and output from the massive Cantarell complex slid by 31 percent, to 1 million b/d. Cantarell's largest field, Akal-Hohoch, produced less than 800,000 b/d in November 2008, or 5.7 percent lower than the prior month.

Reuters, 17:27 December 22, 2008

Reuters, 14:18 December 22, 2008

http://www.rigzone.com/news/article.asp?a_id=71002

Nigeria's 180,000 b/d Usan Oilfield to Open in 2012—Project Officials

Nigeria's offshore Usan field is scheduled to begin production in 2012, project officials said December 23. The field is located offshore Port Harcourt, in the Niger Delta, and should produce 180,000 b/d of light condensates. Original plans called for it to open in 2009; more recently, it was slated to start-up in 2011.

<http://www.platts.com/Oil/News/8252386.xml?p=Oil/News&sub=Oil>

Update: PdVSA Continues Restoration after Power Outage at 320,000 b/d Isla Refinery in Caracao, Netherlands Antilles

Operators expected to return the facility to about 85 percent capacity by today, December 23. A power outage forced the facility offline on Friday, December 19.

http://www.google.com/hostednews/ap/article/ALeqM5jI0SUecbXnk1uMFmL9JhL1i538_gD95820800

Natural Gas

Update: Williams Opens 40,000 Dth/d Expansion along Transco Natural Gas Pipeline System in U.S. Northeast

Williams completed the first phase of its Sentinel expansion project, boosting throughput along its Transco natural gas pipeline by 40,000 Dth/d. The build included about four miles of new 42-inch pipeline in Pennsylvania and upgrades to a compressor station in Pennsylvania. The project's second phase, slated for November 2009 completion, will increase Transco's capacity by an additional 102,000 Dth/d. When complete, the Sentinel expansion will push the line's capacity to about 8.3 Bcf/d.

<http://www.williams.com/newsroom/>

Colorado Oil and Gas Conservation Commission Approve Strict Drilling Restrictions

Colorado's Oil and Gas Conservation Commission new drilling restrictions are the nation's strictest, critics and supporters say. Included are drilling limits near drinking water streams and in "sensitive habitat" zones; opponents say the rules could lead some companies to leave Colorado.

<http://online.wsj.com/article/SB122999246547828591.html>

Other News

DOE Unveils Incentive Plan to Boost Cellulosic Ethanol Production

The Department of Energy (DOE) proposed plans to hold reverse auctions for ethanol producers, as it seeks to increase U.S. cellulosic ethanol production to at least 1 billion gallons/year by 2015. The Energy Policy Act of 2005 required the energy secretary to work alongside other department heads and boost cellulosic ethanol production through reverse auctions.

<http://www.platts.com/Oil/News/6056031.xml?p=Oil/News&sub=Oil>

Mid-Atlantic Biodiesel to Sell 5 Million Gallon/Year Biodiesel Plant in Delaware

Mid-Atlantic Biodiesel plans to sell its 5 million gallon/year biodiesel plant in Delaware, as higher soybean costs prevented the facility from turning a profit. "The whole industry is closed down," the company's president said. "There are 31 biodiesel plants closed in the United States. One sold a month or so ago, so we're in front of the pack. There will be a pile of sales."

www.maascompanies.com/response.asp?project_id=147

<http://www.americanfarm.com/TopStory12.23.2008c.html>

Citing Costs, Credit Concerns, BlueFire Ethanol Fuels Delays Plans for 3.7 Million Gallon/Year Cellulosic Ethanol Plant in California

<http://bluefireethanol.com/pr/65/>

Better Information on Oil Supplies Would Help Prevent Market Volatility, CERA Chairman Says

More reliable statistics would keep the oil market better-informed, and potentially help prevent oil price volatility, said Daniel Yergin, chairman of the Cambridge Energy Research Associates (CERA). This summer's record oil prices were products of "a schizophrenic world between what was happening to the price and what was happening to the balance of supply and demand," he said. Yergin cited the Energy Information Administration (EIA) as "a very good model for other countries."

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aLcnjtjA2kpQ>

Energy Prices

U.S. Oil and Gas Prices			
December 23, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	29.74	44.24	93.10
NATURAL GAS Henry Hub \$/Million Btu	5.39	5.75	7.19

Source: Reuters

Energy Notes

Update: After Winter Storms, 21,983 Indiana-Michigan Power Customers Remain Without Power in Indiana December 23

<http://www.indianamichiganpower.com/news/outages/viewstorm.asp?stormName=December%202008%20Ice%20Storm>

Update: US NRC Says no Environmental Concerns to Proposed License Extension of Southern Nuclear Company's Vogtle Nuke Units 1 and 2 in Georgia

<http://www.platts.com/Nuclear/News/6056806.xml?p=Nuclear/News&sub=Nuclear>

Nuclear Safety Associates Review Says Entergy's 620 MW Vermont Yankee Nuclear Power Plant in Vermont Could Operate Safely Beyond License Expiration in 2012

Bloomberg News, 10:34 December 23, 2008

U.S. BLM Grants Right-of-Way Land for LS Power's Proposed 1,600 MW Coal-fired White Pine Energy Station in Nevada

<http://www.lvrj.com/business/36620014.html>

Canadian Hydro Developers' Glacier Power Inc. Receives Favorable Review Panel Decision Regarding Planned 100 MW Dunvegan Hydroelectric Project in Alberta

DJN, 08:59 December 23, 2008

Sempra Generation Completes 10 MW Photovoltaic Solar Power Project in Nevada December 22

http://public.sempra.com/newsreleases/viewpr.cfm?PR_ID=2329&Co_Short_Nm=SE

Mitsubishi Heavy Industries, Areva, Form Venture to Produce Nuclear Fuel

<http://www.tcetoday.com/tcetoday/NewsDetail.aspx?nid=11322>

Fuel Gas Regulatory Malfunction at Valero's 182,200 b/d Delaware City, Delaware Refinery

Bloomberg News, 11:59 December 23, 2008

East Coast Refiners Plan More FCC Maintenance than Usual in February, as Poor Profit Margins Discourage Usual Activity—Output to Slow by 164,000 b/d in PADD 1, Compared with Normal 30,000 b/d

Bloomberg News, 12:10 December 23, 2008

ExxonMobil Agrees to Pay \$6 Million after 2006 Oil Spill of 15,000 Gallons in Massachusetts

Reuters, 12:10 December 23, 2008

Apache Shuts Two Oilfields, 13,200 b/d Production as Cyclone Nears Offshore Australia

http://www.rigzone.com/news/article.asp?a_id=71007

Storms Jars Loose Tow Line at North Sea Oil Platform—Officials See Possible Risk to Nearby Pipelines

Bloomberg News, 08:16 December 23, 2008

Citing Costs, StatoilHydro Halts Rig Hire Procurement Process in Norway's Continental Shelf

http://www.rigzone.com/news/article.asp?a_id=70961

Crude Refining Margins at Lowest Since First Quarter 2008 on Demand Declines—BP

Bloomberg News, 09:07 December 23, 2008

Year-in-Review Shows 2008's Most-Significant Oil Discoveries

See link: http://www.rigzone.com/news/article.asp?a_id=70992

Natural Gas Surge Overwhelms Treating and Sulfur Plants at Eustace Gas Plant in Texas December 22-23

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118055>

Turbine Shutdown at Fullerton Gas Plant in Texas December 22

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118006>

Flaring at Goldsmith Gas Plant in Texas December 22

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118046>

Compressor Station Malfunction Shuts AGI System at Tilden Gas Plant in Texas December 22

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118053>

FERC Okays Spectra Energy's Tetco Proposal to Build Northern Bridge Natural Gas Project—REX-Related Facility Would Help Move Rocky Mountain Supplies to Eastern Consumers

<http://intelligencepress.com/>

Oregon Senator Opposes, Looks to Block U.S. Forest Decision to Approve 211-mile Palomar Gas Transmission Natural Gas Pipeline through State

<http://intelligencepress.com/>

http://seattlepi.nwsource.com/local/393078_rep20.html

Natural Gas Futures for January Hit \$5.294 on NYMEX, or Lowest Total Since September 2006

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a0reT34GpGUE>

Lake County Plans Waste-to-Ethanol Plants in Indiana

<http://www.post-trib.com/news/1345060.g2eplant2.article>

DOE Announces Funding Opportunity of up to \$200 Million for Pilot and Demonstration Scale Biorefinery Projects

<http://www.energy.gov/news/6817.htm>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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